

SCHEDULE C-1**LOANS AND LINES OF CREDIT FROM LENDING INSTITUTIONS**

Federal Election Commission, Washington, D.C. 20463

Supplementary for
Information found on
Page 87 / 73 of Schedule C

Name of Committee (In Full)

FEC IDENTIFICATION NUMBER

NEA Fund for Children and Public Education

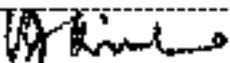
CD0003251

Back Ref ID: LR3912

LENDING INSTITUTION (LENDER) Full Name Allfirst Bank		Amount of Loan 300000.00	Interest Rate (APR) 4.34 %	
Mailing Address 1350 1st NW Fl 2		Date Incurred or Established 10/25/2002	10	25
City Washington	State DC	Date Due 04/30/2003	04	30

A. Has loan been restructured? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	If yes, date originally incurred: 10/25/2002
B. If line of credit, Amount of this Draw: 160000.00	Total Outstanding Balance: 210000.00
C. Are other parties secondarily liable for the debt incurred? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Endorsees and guarantors must be reported in Sch. C)	What is the value of this collateral? .00
D. Are any of the following pledged as collateral for the loan: real estate, personal property, goods, negotiable instruments, certificates of deposit, chattel papers, stocks, accounts receivable, cash on deposit, or other similar traditional collateral? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes If yes, specify:	Does the lender have a perfected security interest in it? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
E. Are any future contributions or future receipts of interest income, pledged as collateral for the loan? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes If yes, specify:	What is the estimated value? .00

A depository account must be established pursuant to 11 CFR 100.7(b)(11)(B) and 100.8(b)(12)(i)(B).	Location of account: Allfirst Bank
Data account established: [01] [05] [1999]	Address: 1350 1st NW Fl 2
	City, State, Zip: Washington DC 20005

F. If neither of the types of collateral described above was pledged for this loan, or if the amount pledged does not equal or exceed the loan amount, state the basis upon which this loan was made and the basis on which it secures repayment. Line was made based on historical cash flows. Repayment expected from continuation of historical cash flows and covenant requiring cash receipts be deposited in to Allfirst Bank.	DATE 11 05 2002
G. COMMITTEE TREASURER Typed Name: Mrs V J Krishna Signature: 	

H. Attach a signed copy of the loan agreement.
I. TO BE SIGNED BY THE LENDING INSTITUTION:
I. To the best of this institution's knowledge, the terms of the loan and other information regarding the extension of this loan are accurate as stated above.
II. The loan was made on terms and conditions (including interest rate) no more favorable at the time than those imposed for similar extensions of credit to other borrowers of comparable creditworthiness.
III. This institution is aware of the requirement that a loan must be made on a basis which assures repayment, and has complied with the requirements set forth in 11 CFR 100.7(b)(11) and 100.8(b)(12) in making this loan.

AUTHORIZED REPRESENTATIVE Typed Name: Robert Nichols Signature: 	DATE 11 05 2002
	Tell Sr Vice President

SCHEDULE C-1**LOANS AND LINES OF CREDIT FROM LENDING INSTITUTIONS**

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Name of Committee (In Full)

FEC IDENTIFICATION NUMBER

CO0003251

NEA Fund for Children and Public Education

Block Ref ID: LR44067

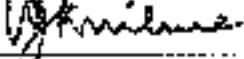
LENDING INSTITUTION (LENDER)	Amount of Loan	Interest Rate (APR)	
Full Name AlFirst Bank	300000.00	4.05 %	
Address	Date Incurred or Established	1.1	0.8
1350 1 St NW Fl 2		2.002	
City	State	Zip Code	Date Due
Washington	DC	20005	04 30 2003

A. Has loan been restructured? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	If yes, date originally incurred: <input type="checkbox"/> <input type="checkbox"/>
B. If line of credit, Amount of this Draw: <input type="checkbox"/> 50000.00	Total Outstanding balance: <input type="checkbox"/> <input type="checkbox"/> 210000.00

C. Are other parties secondarily liable for the debt incurred? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Endorsees and guarantors must be reported on Sch. C)	What is the value of this collateral? <input type="checkbox"/> .00
D. Are any of the following pledged as collateral for the loan: real estate, personal property, goods, negotiable instruments, certificates of deposit, chattel papers, stocks, accounts receivable, cash on deposit, or other similar traditional collateral? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes If yes, specify: _____	Does the lender have a perfected security interest in it? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
E. Are any future contributions or future receipts of interest income, pledged as collateral for the loan? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes If yes, specify: _____	What is the estimated value? <input type="checkbox"/> .00

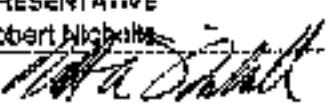
A depository account must be established pursuant to 11 CFR 100.7(b)(1)(ii)(B) and 100.8(b)(12)(i)(B).	Location of account AlFirst Bank
Date account established: <input type="checkbox"/> 01 <input type="checkbox"/> 05 <input type="checkbox"/> 1998	Address: 1350 1 St NW Fl 2
	City, State, Zip: Washington DC 20005

F. If neither of the types of collateral described above was pledged for this loan, or if the amount pledged does not equal or exceed the loan amount, state the basis upon which this loan was made and the basis on which it assures repayment. Line was made based on historical cash flows. Repayment expected from continuation of historical cash flows and covenant requiring cash receipts be deposited in AlFirst Bank.	DATE <input type="checkbox"/> 12 <input type="checkbox"/> 05 2002
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G. COMMITTEE TREASURER Typed Name: Mrs V J Krishna Signature: 	DATE <input type="checkbox"/> 12 <input type="checkbox"/> 05 2002
---	--

H. Attach a signed copy of the loan agreement

I. TO BE SIGNED BY THE LENDING INSTITUTION:	DATE <input type="checkbox"/> 12 <input type="checkbox"/> 05 2002
I. To the best of this institution's knowledge, the terms of the loan and other information regarding the extension of this loan are accurate as stated above.	
II. The loan was made on terms and conditions (including interest rate) no more favorable at the time than those imposed for similar extensions of credit to other borrowers of comparable creditworthiness.	
III. This institution is aware of the requirement that a loan must be made on a basis which assures repayment, and has complied with the requirements set forth at 11 CFR 100.7(b)(11) and 100.8(b)(12) in making this loan.	

AUTHORIZED REPRESENTATIVE Typed Name: Robert Nichols Signature: 	DATE <input type="checkbox"/> 12 <input type="checkbox"/> 05 2002
Title: Sr Vice President	

COPY

\$ 300,000.00

Washington, D.C.

10/25/02

(cont)

(cont)

(cont)

TIME DEMAND BUSINESS PURPOSE PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned ("Borrower") promises to pay to the order of First Bank, a Maryland state-chartered commercial bank ("Bank"), at the time and in the manner as hereinafter set forth, or Banks offices at 25 South Charles Street, Baltimore, Maryland 21201 or at such other place as Bank may from time to time designate. The principal sum of \$ 300,000.00, or such other amount as may be advanced from time to time to Borrower, together with interest thereon at the rate or rates hereinabove specified and one or other sums which may be owing to Bank by Borrower pursuant to this Promissory Note. The following terms shall apply to this Promissory Note.

1. PRINCIPAL. From the date hereof until all sums due hereunder, including principal, interest, charges, fees and expenses are paid in full the principal amount outstanding from time to date pursuant to this Promissory Note shall bear interest as follows (Check One):

Floating Rate. At a fluctuating rate equal to _____ % per annum above the greater of: (i) that 180th anniversary date from time to Bank as its "prime rate"; or (ii) the average rate, rounded to the nearest 1/100 of 1%, for 3 month maturity foreign placed commercial paper ("Continental Paper Rate") for the week most recently reported in the Federal Reserve Statistical Release H.15, 12619, titled "Selected Interest Rates," or any succeeding publication provided that the interest rates on this Promissory Note shall never be less than the rate that is 1% per annum above the Continental Paper Rate. Bank at its discretion may change a lesser rate from time to time, subject to the principal amount outstanding after being adjusted only with the rate for each day being the rate in effect at the close of business on that day. Bank makes known all rates less than, above and below its prime rate.

Fixed Rate. At the fixed rate minimum rate of 8% per annum.

2. CALCULATION OF INTEREST. Interest shall be calculated on the basis of three hundred sixty (360) days per year and applied to the actual number of days on which there exists an unpaid balance hereunder.

3. REPAYMENT. Borrower shall make payments of principal and interest in accordance with the options selected under subsection (a) and subsection (b) below:

(a) Principle. Borrower shall make payments of principal as follows (Check One):

Demand. To be held on demand by Bank, which may be made at any time, without notice, and without regard to whether a default has occurred.

Date. In full on April 30, 2003.

Interest. Borrower shall make payments of accrued interest as follows:

Monthly. Payments of all accrued and unpaid interest shall be made on the 30th day of each successive month, beginning on 11/30/02 and continuing until the maturity of this Promissory Note (whether upon demand, stated maturity, acceleration or otherwise) at which time all sums due hereunder, including principal, interest, charges, fees and expenses, shall be paid in full.

Sixty Days. Payments of all accrued and unpaid interest shall be made quarterly on the _____ day of each third month, beginning on _____, and continuing until the maturity of this Promissory Note (whether upon demand, stated maturity, acceleration or otherwise) at which time all sums due hereunder, including principal, interest, charges, fees and expenses, shall be paid in full.

Other (describe) _____.

All amounts owed to Bank hereunder shall be payable in immediately available funds (Check One):

as billed

by preauthorized debit of Account #_____. If the usage of preauthorized debit is checked, Borrower agrees to maintain a balance in the above-described account which is at least equal to the payment amount on each payment due date.

4. LATE PAYMENT CHARGE. If any payment due hereunder (including any payment in whole or in part of principal) is not received by Bank within three (3) calendar days after its due date, Borrower shall pay a late payment charge equal to five percent (5%) of the amount then due.

5. APPLICATION OF PAYMENTS. All payments made pursuant to this Promissory Note shall be applied first to unpaid and unpaid interest, then to unpaid expenses and charges payable hereunder, and then to principal, or in such other order or proportion as Bank, in Banks sole discretion, may elect from time to time.

6. SECURITY. Borrower under this Promissory Note shall assign, and Borrower pledges and grants to Bank a security interest in, all deposit accounts and all deposits and property of Borrower now or at any time hereafter in the possession of or on deposit with Bank, also all securities or property or title in any other capacity. In addition, this Promissory Note is secured by any property described as collateral in any security agreement, mortgage, deed of trust, pledge agreement or other document previously, simultaneously, or heretofore entered into by Borrower in connection with any obligation to Bank or any corporation, affiliate of Bank, such other security document(s) including but not limited to the following:

Generally Agreements:
Bank holds mortgage or deed of trust on property known as _____, in _____ County/City, State of _____.

(Real estate in Pennsylvania constituting the collateral of any Borrower may not be subject to any loan of \$50,000 or less in principal amount.)

Other (describe): _____.

Bank shall have the right to offset and apply against the obligations of Borrower to Bank, evidenced by this Promissory Note any sums of Borrower at any time on deposit with Bank whether such deposits are special, time, savings, passbook, or demand, provisional or final.

7. DEFault. Any of the following will be a default under this Promissory Note: (a) failure to pay any principal, expense, fee, charge or interest when due; or failure to perform any other obligations hereunder; (b) a default by any Borrower upon any of the existing or future obligations of any Borrower to Bank; (c) a default by any guarantor or other person that is now or hereafter liable upon or in connection with any of the obligations of any Borrower to Bank; (d) a default by any trustee or other person to or for the benefit of Bank to service any of the obligations of any Borrower to Bank ("Other Obligor"), upon any of the existing or future obligations of any Other Obligor to Bank; (e) a default by any other agreement, instrument or document between any Borrower or Other Obligor and Bank, or any corporate affiliate of Bank, including, without limitation, any security document referred to above, whether previously, simultaneously, or hereafter entered into; (f) a material adverse change in the financial condition of any Borrower or Other Obligor from that expressed in the financial statement most recently submitted to Bank prior to the date of this Promissory Note, as determined in good faith by Bank in its sole discretion; (g) institution of bankruptcy, insolvency, reorganization or similar proceedings by or against any Borrower or Other Obligor in any state or federal court; (h) the appointment of a receiver, assignee, custodian, trustee or similar official under any federal or state insolvency or creditors' rights law for any property of any Borrower or Other Obligor; (i) seizure of any Borrower or Other Obligor to furnish to Bank such additional or additional collateral as Bank may in good faith request; (j) any warranty, reorganization, or covenant to Bank by or on behalf of any Borrower or Other Obligor proving to be false; increased in any material respect when made or furnished; (l) the occurrence of any event which is, or would be with the passage of time or the giving of notice or both, a default under any indebtedness of any Borrower or Other Obligor to any person other than Bank; (m) any authorized loss, theft or substantial damage, not fully insured for the benefit of Bank, to any of the assets of any Borrower or Other Obligor, or the sale, transfer, lease, encumbrance or other disposition all or any material part of the assets of any Borrower or Other Obligor other than in the ordinary course of business of Borrower or Other Obligor; (n) the entry of any final judgment against any Borrower or Other Obligor for the payment of money in excess of \$5,000.00; (o) the levy upon attachment of any assets of any Borrower or Other Obligor; (p) the recording of any federal, state or local tax lien against any Borrower or Other Obligor; (q) a change of ownership or liquidation, merger, consolidation, reorganization or reorganization of any

Banker or Other Obligor which is a corporation, partnership or other legal entity; (ii) the death of any Borrower or Other Obligor who is a natural person; (iii) failure of any Borrower or Other Obligor to furnish to Bank such financial information as Bank may require from time to time; or (iv) the determination by Bank in its sole discretion, that the ability of any Borrower or Other Obligor to pay or perform any of their respective obligations to Bank is impaired for any reason.

8. PAYMENT. Upon a default, in addition to all other rights and remedies available to Bank hereunder, under any other document or agreement between Borrower and Bank, or under applicable law, Bank, in Bank's sole discretion and without notice or demand, may: (a) make the rate of interest accruing on the unpaid balance due under this Promissory Note by two (2) percentage points above the rate of interest otherwise agreed above, in regardless of whether Bank elects to accelerate the unpaid principal balance as a result of such default; and (b) reduce the unpaid principal balance plus accrued interest and all other sums due hereunder immediately due and payable. Borrower agrees that a default under this Promissory Note is a default by Borrower under all other obligations of Borrower to Bank, and that Bank shall have the right to declare immediately due and payable all of such other liabilities and obligations. Upon a default, Borrower authorizes any attorney admitted to practice before any court of record in the United States to appear on behalf of Borrower in any court in one or more proceedings, or before any judge thereof or prothonotary or other court official, and to confess judgment against Borrower, without prior notice or opportunity of Borrower for prior hearing, in favor of Bank in the full amount due on this Promissory Note, including principal, accrued interest and any and all charges, fees and expenses, plus court costs, plus attorney's fees equal to fifteen percent (15%) of the unpaid balance of principal, interest, charges, and other sums due hereunder, in addition to all other costs to which judgment may be confessed against Borrower upon this Promissory Note. Borrower agrees that venue and jurisdiction shall be proper in any court of any county of the State of Maryland or of Baltimore City, Maryland, or in the United States District Court for the District of Maryland. Borrower waives the benefit of any and every statute, ordinande, or rule of court which may be lawfully invoked concerning upon Borrower any right or privilege of the option, homestead rights, stay of execution, or supplemental proceeding, or other relief from the enforcement or immediate enforcement of a judgment or related proceedings in a judgment. To the extent permitted by applicable law, any judgment obtained by confession shall not constitute a lien on any real property located in Pennsylvania which is the residence of any Borrower. The authority and power to appear for and enter judgment against Borrower shall not be extinguished by cause of bankruptcy thereof or by any insolvency decree thereof, and such shall not be extinguished by any judgment entered pursuant thereto; such authority and power may be exercised in one or more proceedings than one to that, in the same or different jurisdictions, as often as Bank shall deem necessary or advisable. All rights, remedies and powers of Bank hereunder are irrevocable and cumulative, and notwithstanding the expiration, termination or cancellation of any other rights, remedies and powers of Bank, whether in or by any other instruments, agreements, or any laws now existing or hereafter enacted, Borrower waiving any right or claim to cause a marshalling of the assets of general or any other character.

9. JURISDICTION AFTER JUDGMENT. A judgment is entered against Borrower on this Promissory Note, the amount of the judgment, together with interest thereon, shall bear interest at the higher of the above-described default rate and the legal rate of interest then applicable to judgments in the jurisdiction in which judgment was rendered.

EXPENSES OF COLLECTION: Borrower shall pay all costs and expenses incurred by Bank in collecting sums due under this promissory note, including without limitation the costs of any trial, judgment or other record services, appraisals, travel expenses and the like. In addition, if this Promissory Note is referred to an attorney for collection, whether or not judgment has been recovered or not has been filed, Borrower shall pay all Bank's costs, fees (including, but not limited to, Bank's attorney's fees, charges and expenses) and all other expenses resulting from such

11. RECOGNIZABLE WEBSITES. Borrower agrees that this Promissory Note shall be deemed to be an negotiable instrument, even though

12. This Promissory Note may not qualify under applicable law; please this paragraph as a legend in documents.
13. Borrower, and all parties to this Promissory Note, whether maker, Indorser, co-guarantor, waives any right to sue, demand, notice,

SECTION 10. OF MATURITY. All parties to this Promissory Note, whether maker, endorsee, or guarantor, agree that the maturity of this Note shall be 12 months from the date hereof, unless otherwise provided by law.

18. ~~Notwithstanding anything contained in the Contract, if the party to whom the payment is due fails to pay the payment in accordance with the terms of the Contract, the party to whom the payment is due may, at its option, require the party failing to pay the payment to pay the payment by giving notice to the party failing to pay the payment.~~ Notwithstanding anything contained in this Prepayment Note, without involving the application of any provision of the Contract, the party to whom the payment is due may, at its option, require the party failing to pay the payment to pay the payment by giving notice to the party failing to pay the payment.

14. **NOTICES.** Any notice or demand required or permitted by or in connection with this Promissory Note, without implying the obligation to provide any notice or demand, shall be in writing at the address set forth below or to such other address as may be hereafter specified by written notice to Bank by Borrower. Any such notice or demand shall be deemed to be effective as of the date of hand delivery or facsimile transmission, or five (5) days after dispatch if sent by telegram, mailgram, overnight delivery, express mail or fedex/ups/air, or three (3) days after mailing if sent by first class mail with postage prepaid.

16. **ASSIGNMENT.** This Promissory Note may be assigned by Bank or any holder of any kind. Borrower shall not have the right to assign.

17. PURSUING NATURE. This Promissory Note shall come to the benefit of Bank and its successors and assigns and any other person to whom Bank may grant an interest in Borrower's obligations to Bank, and shall be binding and enforceable against Borrower and Borrower's personal representatives, successors and assigns.

18. **VALIDITY OF ANY PROVISION.** If any provision of or part of any provision of this Promissory Note is illegal or unenforceable in any respects, such illegality or unenforceability shall not affect any other provisions of this Promissory Note and this Promissory Note shall be construed as if such illegal, illegal or unenforceable provision or part thereof had never been contained herein, but only to the extent of its illegality, illegality or unenforceability.

19. **MAXIMUM RATE OF INTEREST; COMMERCIAL LOAN.** Notwithstanding any provision of this Promissory Note to the contrary, Borrower shall not be obliged to pay interest, hereunder in excess of the maximum rate of interest permitted by the laws of any state determined to govern this Promissory Note or the laws of the United States applicable to loans in such state. If any provision of this Promissory Note shall be construed to require the payment of any amount of interest in excess of that permitted by applicable law, then the interest to be paid hereunder shall be held subject to setoff to the amount otherwise due under applicable law, and any amounts paid in excess of the interest rate allowed by law shall be applied in reduction of the principal balance outstanding under this Promissory Note. Borrower acknowledges that it has been contemplated at all times by borrower that the laws of the State of Maryland will govern the maximum rate of interest that is permissible for a charge borrower under this Promissory Note. Borrower warrants that this Promissory Note evidences a loan made solely to acquire or carry on a business or professional endeavor.

26. CHANGE IN JURISDICTION AND JURISDICTION. The Promissory Note shall be governed, construed and interpreted in accordance with the laws of the State of Maryland, even if the Maryland rules governing conflicts of law would otherwise require that the laws of another jurisdiction govern the Promissory Note. Remonstrants to the jurisdiction and venue of the courts of any county in the State of Maryland or the courts of Baltimore City, Maryland and to the jurisdiction and venue of the United States District Court for the District of Maryland, shall not be deemed to be a waiver of jurisdiction by the parties to this note or to render this Promissory Note void.

In any action or judicial proceeding brought to enforce, collect or interpret the Promissory Note, the Borrower shall be the sole and unconditional debtor.
EXCULPATORY OBLIGATIONS. Borrower's obligations under this Promissory Note shall be the sole and unconditional debts and obligations of Borrower and shall be independent of any rights of setoff, recoupment or counterclaim which Borrower might otherwise have against Bank, and Borrower shall pay absolutely the payments of principal, interest, fees, charges and expenses required hereunder, law permits, notwithstanding any statement, declaration or other provision to the contrary.

22. ACTIONS AGAINST BANK. Any action brought by Borrower against Bank which is legal, directly or indirectly, or in whole or in part, based upon, or relating to, the Promissory Note shall be brought only in the courts of the State of Maryland.

upon this Promissory Note or any action referred to in the Promissory Note shall be valid against Bank.
23. **AMENDMENTS, MODIFICATIONS, ETC.** This Promissory Note may be amended only by a writing duly executed by Borrower and Bank.
No waiver by Bank in any of the provisions of this Promissory Note or any of the rights or remedies of Bank in this Promissory Note shall be a **waiver** or **release** of any provision or remedy unless in writing. No indulgence or delay on the part of Bank in exercising any power, privilege or right hereunder or under any other agreement executed by Borrower to Bank in connection therewith shall operate as a **waiver** thereof. No single or partial exercise of any power, privilege or right shall preclude other or further exercise thereof, or the exercise of any other power, privilege or right. No conduct, custom or course of dealing shall be effective to waive, amend, modify or release this Promissory Note or any of the terms and conditions hereof. THIS Promissory Note constitutes the complete and exclusive expression of the terms of the agreement between the parties with respect to the subject matter hereof.

month and tenth herein, and supersedes all prior or contemporaneous understandings between the parties relating to the subject matter of this Promissory Note. Paragraph headings in this Promissory Note are included herein for convenience of reference only, shall not constitute a part of this Promissory Note for any other purpose and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

24. **OTHER COLLATERAL, ETC.** In the event Bank has been granted a lien or security interest as collateral for the amounts owed under this Promissory Note by a party other than Borrower ("Other Collateral"), Borrower agrees to sign and agree to the documents evidencing such lien or security interest as may modify existing law and modify, waive or extend the rights and duties of the parties thereto. To the extent Borrower qualifies as an "obligor" within the meaning of the Maryland Uniform Commercial Code-Secured Transactions, as-amended ("UCC"), or any similar law of any other state of territory with respect to the Other Collateral and, as a result thereof, the UCC or similar law confers any rights on Borrower or imposes any duties on Bank with respect to Borrower, Borrower agrees that such rights and duties have been modified, waived or suspended to the same extent, and in the same manner, that the party providing the Other Collateral has agreed to modify, waive, or suspend its corresponding rights and/or any corresponding duties owed to it by Bank.

25. **WAIVER OF JURY TRIAL.** Borrower [by execution of this Promissory Note] and Bank [by acceptance of this Promissory Note] agree that any suit, action, or proceeding, whether claim or counterclaim, brought or instituted by Borrower or Bank or in or with respect to this Promissory Note or which in any way relates, directly or indirectly, to the obligations of Borrower to Bank under this Promissory Note, or the dealings of the parties with respect thereto, shall be tried only by a judge and not by a jury. **BORROWER AND BANK HEREBY EXPRESSLY WAIVE ANY RIGHT TO A TRIAL BY JURY OF ANY SUCH SUIT, ACTION, OR PROCEEDINGS.** Borrower and Bank acknowledge and agree that this provision is a specific and material aspect of the agreement between the parties and that Bank would not enter into the transaction with Borrower if this provision were not a part of their agreement.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the undersigned execute this Promissory Note under seal by Borrower, as of the date first written above.

WITNESS/ATTEST:

(Note: Attestation by a corporate officer of another corporation's capacity to sign is required in all corporate transactions.)

National Education Association Fund for Children and Public Education

[Name of Organization]
1201-16th Street, N.W.

[City Address]
Washington, D.C. 20036

[Telephone No.]
202-822-7060

[Telephone No.]
521-140991

[Federal Tax Identification No.]

By: John Wilson (SEAL)
[Authorizing Signature]
JOHN WILSON-Treasurer-KEA Fund
[Print Name and Title]

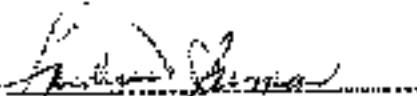
By: _____ (SEAL)
[Authorizing Signature]

[Print Name and Title]

If Borrower is an individual, he or she should sign below.

[Signature]

[Print Name]


Frederick J. Suman
(Print Name)

(Print Name)

(Print Name)

(Print Name)

(Print Name)

LOAN AGREEMENT

It is hereby agreed as of the 25 day of October, 2002 by and between
National Education Association Fund for Children and Public Education
 ("Borrower"), a corporation, _____ of the State of District of Columbia, and **Affair Bank, a Maryland**
 state-chartered commercial bank, ("Bank") as follows:

Columbia

DEFINITIONS

The following terms have the following definitions (each definition is equally applicable to the singular and plural forms of the terms used, as the context requires):

- A. **G.A.R.P.** The term "G.A.R.P." means, with respect to any date of determination, generally accepted accounting principles as issued by the Financial Accounting Standards Board and/or the American Institute of Certified Public Accountants consistently applied and maintained throughout the periods indicated.
- B. **Line of Credit.** The term "Line of Credit" means any line of credit facility extended by Bank to Borrower pursuant to Paragraph II.A.1 of the Loan Agreement ("Agreement") and otherwise in accordance with the terms of this Agreement.
- C. **Loan.** The term "Loan" means one or more credit facilities, including any line of Credit and Term Loan, provided by Bank to Borrower pursuant to the terms of this Agreement and all accompanying Loan documents, including, but not limited to, one or more promissory notes of Borrower payable to the order of Bank, as the same may be amended, modified, extended, renewed, supplemented, restated or replaced from time to time.
- D. **Maximum Line of Credit Amount.** The term "Maximum Line of Credit Amount" means \$300,000.00.
- E. **Obligations.** The term "Obligations" means collectively the obligations of Borrower to pay to Bank: (i) any and all sums due to Bank under or pursuant to the Loan or otherwise under the terms of this Agreement, or any accompanying Loan documents; (ii) the expenses of any exercise by Bank of Bank's rights in the event of a default by Borrower, together with Bank's attorneys' fees, expenses of collection, expenses of taking, holding, or disposing of any assets of Borrower, and costs/crates; and (iii) any other indebtedness or liability of Borrower to Bank, whether direct or indirect (by way of endorsement, guaranty, pledge or otherwise), liquidated or unliquidated, joint or several, absolute or contingent, contemplated or uncontemplated, or otherwise arising from any loan, note, letter of credit, guarantee, overdraft, or any other duty owed by Borrower to Bank, now existing or hereafter arising.
- F. **Other Obligor.** The term "Other Obligor" means any person or entity other than Borrower that is now or hereafter liable, directly, contingently or otherwise, with or in connection with any of the Obligations, that has granted any lien or security interest in or for the benefit of Bank to secure any of the Obligations, including, but not limited to, any guarantor, surety, bailee, or co-owner of any of the Obligations.
- G. **Term Loan.** The term "Term Loan" means any term loan credit facility extended by Bank to Borrower pursuant to Paragraph II.A.2 of this Agreement and otherwise in accordance with the terms of this Agreement.
- H. **Term Loan Amount.** The term "Term Loan Amount" means 6 n/a.
- I. **UCC.** The term "UCC" means the Maryland Uniform Commercial Code - Secured Transactions, as amended.

BASIC TERMS OF THE LOAN

- A. **1. Line of Credit.** Subject to the continued compliance of Borrower with the terms of this Agreement and all other accompanying Loan documents and the continued absence of any default by Borrower or any Other Obligor hereunder and thereafter, Bank may advance to Borrower, for use by Borrower as hereinafter provided, such sums as Borrower may request, but which shall not exceed in the aggregate at any one time outstanding the Maximum Line of Credit Amount. Borrower shall not request any advance of proceeds of the Line of Credit which exceeds the Maximum Line of Credit Amount or which would cause the aggregate amount of advances made and outstanding under the Line of Credit to exceed the Maximum Line of Credit Amount. Even if the aggregate amount of advances made and outstanding under the Line of Credit shall at any time and for any reason exceed the Maximum Line of Credit Amount, Borrower shall nevertheless be liable for the entire amount outstanding, with interest thereon in accordance with this Agreement and all accompanying Loan documents, and Borrower shall be responsible for observance of, performance of, and compliance with, all of the terms, covenants and provisions hereof and thereof. Each advance shall be in the principal amount of \$ n/a or a multiple thereof. Bank shall make all advances by depositing funds in Borrower's commercial account number n/a, or such bank account as may be agreed upon by Borrower and Bank. Borrower shall use the proceeds of the Line of Credit only for working capital.

If this box is marked, within such limitations and subject to all of the terms and conditions set forth herein and in the other accompanying Loan documents, Borrower may borrow, repay, and reborrow funds under the Line of Credit in accordance with the terms and conditions of this Agreement.

If this box is marked, each advance under the Line of Credit shall be evidenced by and repaid with interest in accordance with the provisions of a promissory note of Borrower to the order of Bank in form and substance satisfactory to Bank and executed and delivered by Borrower to Bank as a condition precedent to the making of such advance.

- B. **2. Term Loan.** Subject to the compliance of Borrower with the terms of this Agreement and all other accompanying Loan documents and the absence of any default by Borrower or any Other Obligor hereunder and thereafter, Bank shall advance to Borrower, for use by Borrower as hereinafter provided, the principal sum equal to the Term Loan Amount. Borrower shall use the proceeds of the Term Loan only for n/a.

- C. **Advance Procedure.** With respect to each advance and all related and transaction in connection therewith, Borrower hereby irrevocably authorizes Bank to accept, rely upon, and upon, and comply with,

any oral or written instructions, requests, confirmations and orders of any employee or representative of Borrower who is an authorized or designated as a signer of Loan documents under the provisions of Borrower's most recent Banking and Borrowing Resolutions or similar documents on file with Bank. Borrower acknowledges that the transmission between Borrower and Bank of any such instructions, requests, confirmations and orders involves the possibility of errors, omissions, mistakes and discrepancies and agrees to adopt such internal measures and operational procedures as may be necessary to protect its interest. By reason thereof, Borrower hereby assumes all risk of loss and responsibility for, releases and discharges Bank from and all responsibility or liability for, and agrees to indemnify, reimburse on demand and hold Bank harmless from, any and all claims, actions, damages, losses, liability and expenses by reason of, arising out of, or in any way connected with or related to: (i) Bank's accepting, relying and acting upon, complying with or observing any such instruction, request, confirmation or order; or (ii) any such error, omission, mistake, or discrepancy, provided such error, omission, mistake or discrepancy is not the result of negligence on the part of Bank.

- C. **Evidence of Loan/Terms of Repayment.** The interest rates on the Loan and the method of calculating interest upon the Loan, the term of the Loan, the method and times of repayment, and other conditions pertaining to the repayment of the Loan shall be evidenced by Bank's form of promissory note or as otherwise set forth in appropriate writings between the parties as determined by Bank. In the absence of a promissory note or other applicable writing, the Loan shall be deemed to be payable upon the demand of Bank, and shall be deemed to be otherwise conclusively evidenced by Bank's record of advances of proceeds of the Loan and Bank's record of receipt of repayments and other bookkeeping entries reflecting the payment of principal and interest, and interest shall be deemed to accrue at the interest rate reflected on Bank's records.
- D. **Statement of Account.** Bank may at any time or from time to time render a statement or statements of account to Borrower for the Obligations or any portion thereof. Each such statement shall be deemed to be correct and conclusively binding on Borrower unless Borrower notifies Bank to the contrary in writing within thirty (30) days from the date of any such statement which Borrower deems to be incorrect.

III. REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants that:

- A. **Accuracy.** All information, financial statements and data submitted to Bank by Borrower or any Other Creditor are true, accurate and complete in all material respects.
- B. **Authority.** Borrower is duly organized and existing in good standing in the state of its organization, is qualified to do business and in good standing in all jurisdictions where it conducts its business, and has all requisite power, authority, licenses and permits to own its property and carry on its business, and Borrower shall deliver to Bank a written opinion of counsel to such effect if requested by Bank. None of the terms and conditions herein, or of any other agreement executed by Borrower, are in violation of the charter or by-laws, or other organizational documents, of Borrower, any contractual obligation Borrower may have with any third party, or any order or decree by which Borrower is bound, and the execution and delivery of this Agreement have been duly authorized by appropriate corporate, company or partnership action, and Borrower shall deliver to Bank a written opinion of counsel to such effect if requested by Bank.
- C. **Litigation.** No litigation or other proceeding before any court or administrative agency is pending, or to the knowledge of Borrower, is threatened against Borrower, the outcome of which could materially impair Borrower's financial condition or its ability to carry on its business. Borrower is not the subject of any pending bankruptcy proceeding nor subject to the continuing jurisdiction of a bankruptcy court as the result of an approved plan of reorganization.
- D. **Addresses, Jurisdiction of Registration.** The principal place of business of Borrower and the books and records relating to Borrower's business and its assets are located at the address(es) set forth in this Agreement. If Borrower is a registered organization, as such term is used in the UCC, the state of organization is indicated below Borrower's signature hereon.
- E. **Hazardous Substances.** Borrower has never received any notification, citation, complaint or notice of investigation relating to the meeting, storing, handling, generating or transporting of any materials or substances which under applicable laws require special handling in collection, storage, treatment or disposal ("Hazardous Substances"), and Borrower does not own, make, store, handle, dispose of or transport any Hazardous Substances in violation of any applicable laws.
- F. **ERISA.** Borrower and each of its affiliates and subsidiaries ("ERISA Affiliates") which are under common control, or are part of a controlled group, within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), are in compliance with all applicable provisions of ERISA with regard to each of its employee benefit plans (as defined in ERISA) ("Employee Benefit Plans"). Neither a reportable event (as defined in ERISA) nor a prohibited transaction (as defined in ERISA) has occurred with respect to any Employee Benefit Plan of Borrower or any ERISA Affiliate. Immediately upon the occurrence of any such reportable event, Borrower shall promptly furnish to Bank notice thereof, as well as with the Pension Benefit Guaranty Corporation ("PBGC"). Neither Borrower nor any ERISA Affiliate has completely or partially withdrawn from any multiemployer plan and no such multiemployer plan is in reorganization, all as required by ERISA. Borrower and each ERISA Affiliate has met its minimum funding requirements and has no unfunded obligations under ERISA to contribute to any Employee Benefit Plan. Borrower shall promptly notify Bank of any accession by PBGC of liability of Borrower or any ERISA Affiliate under Title IV of ERISA. The failure of Borrower to pay within 30 days the amount of any liability under Title IV of ERISA demanded by PBGC shall constitute a default hereunder.
- G. **Taxes.** There are no unpaid federal, state, city, county, or other taxes owed by Borrower, there are no federal, state, city, county or other liens presently filed against Borrower, and there are no outstanding personal property taxes of any kind.

IV. COVENANTS

Borrower covenants that:

- A. **Legal Costs.** Borrower shall pay all costs and expenses, including attorneys' fees (to the extent not prohibited by law), incident to the making of the Loan.
- B. **Further Documents.** Borrower shall execute and deliver to Bank from time to time any instruments or documents and do all things necessary or convenient to carry into effect the provisions of this Agreement.

- Borrower designates Bank or any of its officers as attorney-in-fact to sign Borrower's name on any such instruments or documents and to file same as may be appropriate.
- C. Taxes. Borrower shall pay and discharge, when due, all taxes, levies, rents, and other charges on all its assets, and shall pay promptly, when due, all other taxes, including withholding taxes.
- D. Laws. Borrower shall comply at all times with all laws, ordinances, rules and regulations of any federal, state, municipal or other public authorities having jurisdiction over Borrower, or any of Borrower's assets, including but not limited to, ERISA and all laws relating to Hazardous Substances.
- E. Name, Etc. Borrower shall not, without thirty (30) days' prior written notice, (i) change its name; (ii) change its location (within the meaning of the "debtor's location" under the UCC); (iii) if it is a registered organization (as such term is used in the UCC), change the state of its organization; (iv) change the state where any collateral granted to the Bank and consisting of goods is maintained; or (v) open any new place of business or close any of its existing places of business.
- F. Books and Records. Borrower shall maintain such records with respect to Borrower's assets and the condition (financial and otherwise) and operation of Borrower's business as Bank may request from time to time, and shall furnish Bank such information with respect to Borrower's assets, amounts欠账, and the condition (financial and otherwise) and operation of Borrower's business including, but not limited to, balance sheets, operating statements, and other financial information, as Bank may request from time to time. Borrower shall furnish Bank or cause to be furnished to Bank such financial information with respect to any Other Obligor including, but not limited to, balance sheets, operating statements, personnel financial statements and other financial information, as Bank may request from time to time.
- G. Reporting Requirements. In addition to such other information (financial and otherwise) as Bank may require from time to time, Borrower shall submit to Bank as soon as available copies of the federal, state and local tax returns of Borrower and shall also submit the following to Bank:
- 1) Monthly Financial Statements. As soon as available and in any event within fifteen (15) calendar days after the end of each calendar month, financial statements of Borrower for the immediately preceding month, in form and detail satisfactory to Bank, prepared in accordance with G.A.A.P.
- 1) Satisfactory Financial Statements. As soon as available and in any event within fifteen (15) calendar days after the end of each of the first three quarters of each fiscal year of Borrower, financial statements of Borrower for the immediately preceding quarter, in form and detail satisfactory to Bank, prepared in accordance with G.A.A.P.
- 120
4) Annual Financial Statements. As soon as available and in any event within one hundred (100) calendar days after the end of each fiscal year of Borrower, (i) compiled, (ii) reviewed, (iii) audited financial statements of Borrower for the immediately preceding fiscal year, in form and detail satisfactory to Bank, prepared in accordance with G.A.A.P., by independent certified public accountants satisfactory to Bank.
- If none of the boxes in this Paragraph IV.G is checked, Borrower shall submit to Bank all of the financial statements required pursuant to this Paragraph, including audited annual financial statements.
- H. Inspection. Bank or any of its representatives may from time to time inspect, check, make copies of, or extract from, the books, records and files of Borrower, and inspect any of Borrower's assets wherever located. Borrower shall make same available at any time for such purposes.
- I. Misrepresentation. Borrower shall not make or furnish Bank any representation, warranty, or certificate in connection with or pursuant to this Agreement which is materially false.
- J. Insurance. Borrower has and shall maintain insurance on all of its assets and properties at all times and against hazards, with companies, in amounts and in form acceptable to Bank. Borrower shall maintain public liability and property damage insurance in commercially reasonable amounts, with insurance companies and upon policy forms acceptable to Bank. Borrower shall submit to Bank copies of insurance policies and receipts evidencing payment of the premiums due on same.
- K. Further Covenants. Without the prior written consent of Bank, Borrower shall not: (i) authorize, permit or suffer any lien, security interest, levy or other encumbrance to attach to any assets of Borrower, except for liens and encumbrances in favor of Bank; (ii) make any agreement, compromise, settlement, buy, sale, lease or transfer of assets other than in the normal course of business; (iii) create, incur or assume any liability for borrowed money, except borrowings from Bank; (iv) assume, guarantee, become liable for otherwise become liable in connection with the obligations of any partner, firm or corporation, except by indorsement of instruments for deposit or collection, or similar transactions in the ordinary course of business; (v) enter into any merger or consolidation, or sell or lease substantially all of its assets; or (vi) purchase or acquire the obligations or stock of any person, firm or corporation or other enterprise whatsoever, other than the direct obligations of the United States or Bank.
- V. EVENTS OF DEFAULT
- The following shall constitute a default hereunder:
- A. Nonperformance. Default by Borrower in the performance of, or breach of any provision or warranty of, this Agreement, any other instrument, agreement or document in connection with any of the Obligations, or any other instrument, agreement or document of Borrower with Bank, whether such instrument, agreement or document presently exists or is hereafter executed; or default by any Other Obligor in the performance of, or breach of any provision or warranty of, this Agreement, any other instrument, agreement or document in connection with any of the Obligations, or any other instrument, agreement or document of any Other Obligor with Bank or with any other lending institution, whether such instrument, agreement or document presently exists or is hereafter executed;
- B. Representations and Warranties. Any warranty, representation, or statement to Bank by or on behalf of Borrower or any Other Obligor proving to have been incurred in any material respect when made or furnished;
- C. Financial Condition. A determination by Bank in good faith, but in its sole discretion, that the financial condition of Borrower or any Other Obligor is unsatisfactory; insolvency of Borrower or any Other Obligor; suspension of business, or continuation of an act amounting to business failure by Borrower; or any suspension of business, or continuation of an act amounting to business failure by Borrower; or any Other Obligor; or a determination by Bank in good faith, but in its sole discretion, that the ability of Borrower or any Other Obligor to pay any of the Obligations is impaired for any reason;
- D. Assignment. Any assignment made by Borrower or any Other Obligor for the benefit of creditors;

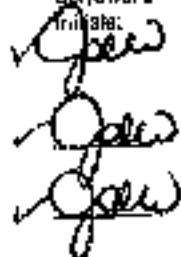


Borrower's
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| E. | Judgments. The entry of any final judgments against Borrower or any Other Obligor for the payment of money in excess of \$5,000.00; |
| F. | Bankruptcy. Institution of bankruptcy, insolvency, reorganization or receivership proceedings by or against Borrower or any Other Obligor in any state or federal court or the appointment of a receiver, assignee, custodian, trustee or similar official under any federal or state insolvency or creditors' rights law for any property of Borrower or any Other Obligor; |
| G. | Extraordinary Acts. A change of ownership or the sale, dissolution, merger, consolidation, liquidation or reorganization of Borrower or any Other Obligor which is a corporation, partnership or other legal entity; |
| H. | Attachments. The levy upon, or attachment of, any property of Borrower or any Other Obligor, or the recording of any federal, state or local tax lien against Borrower or any Other Obligor; |
| I. | Death. Death of Borrower or any Other Obligor who is a natural person; |
| J. | Additional Collateral. Failure of Borrower or any Other Obligor to furnish such collateral or additional collateral as Bank may in good faith request; |
| K. | Cause Default. The occurrence of any event which is, or would be with the passage of time or the giving of notice or both, a default under any Indebtedness of Borrower or any Other Obligor to any person other than Bank; |
| L. | Loss or Discharge; Transfer Encumbrance. Any material loss, theft or substantial damage, not fully insured for the benefit of Bank, to any of the assets of Borrower or any Other Obligor, or the sale, lease, transfer or encumbrance of any material part of the assets of Borrower or any Other Obligor other than in the ordinary course of business of such Borrower or Other Obligor; or |
| M. | Financial Information. The failure of Borrower or any Other Obligor to furnish Bank such financial information as Bank may require from time to time. |
| VI. REMEDIES | |
| A. | Specific Rights and Remedies. In addition to all other rights and remedies provided by law and the Loan documents, Bank, upon the occurrence of any default, may: (i) accelerate and call due the unpaid principal balance of any promissory note evidencing the Loan, and all accrued interest and other sums due as of the date of default; (ii) impose the default rate of interest provided in any promissory note evidencing any of the Obligations, with or without acceleration; (iii) file suit against Borrower or against any Other Obligor; (iv) seek specific performance or injunctive relief to enforce performance of the Obligations, whether or not a remedy at law exists or is adequate; (v) cease making advances or extending credit to Borrower and stop and retract the making of any advance which may have been requested by Borrower, and (vi) reduce the Maximum Line of Credit Amount. |
| B. | Costs of Collection. Upon the occurrence of any default, Bank shall be entitled to recover from Borrower attorney's fees and expenses equal to the greater of actual attorneys' fees and expenses or fifteen percent (15%) of the unpaid balance of the Obligations at the time of default (to the extent not prohibited by law), plus court costs and other expenses which may be incurred by Bank in the enforcement or attempted enforcement of its rights hereunder, whether against any third party, Borrower, or any Other Obligor. |
| | Expenses recoverable from Borrower shall (to the extent not prohibited by law) include costs of collection, including salaries, out-of-pocket travel, living expenses and the hiring of agents, consultants, accountants, or otherwise. All sums of money thus expended shall be repayable by Borrower to Bank on demand. |
| C. | Offset. Upon the occurrence of any default, Bank is authorized to charge the sum then due to Bank against any amounts held by or on deposit with Bank on account of Borrower or its affiliates, and to offset any amounts against any demand or depository accounts which Borrower, or its affiliates, may have with Bank and to enforce such other remedies as may be available at law or in equity, without necessity of election. |
| D. | Alternative Remedies. Bank may exercise its rights and remedies hereunder either alternatively or concurrently with its rights under any and all other agreements among it between Bank and Borrower or any Other Obligor and shall have the full right to realize upon any available collateral security for any of the Obligations, consisting on the same or simultaneous proceedings in connection therewith, until Bank receives payment in full of all amounts owing to Bank under any of its agreements with Borrower, including principal, interest, costs and expenses, and costs of enforcement or attempted enforcement of this or any other agreement among or between Bank and Borrower or any Other Obligor. |
| VII. GENERAL PROVISIONS | |
| A. | Continuity and Termination. This Agreement shall become effective immediately and remain in effect so long as any Obligation of Borrower to Bank is outstanding and unpaid. This Agreement may be terminated by Borrower upon actual delivery of written notice to Bank of such intention, and payment in full of all then existing Obligations; provided, however, that such notice and payment shall in no way affect and this Agreement shall remain fully operative with respect to, any Obligations, or commitments which may become Obligations, entered into between Borrower and Bank prior to receipt of such notice or payment, whichever is later. |
| B. | Other Documents; Joint and Several Liability. The Obligations are or shall be evidenced by notes, security agreements, guarantees, addenda or other documents that are separate agreements and may be negotiated by Bank without releasing Borrower or any Other Obligor. Without limitation of the foregoing, Borrower may have executed and delivered to Bank a Commercial Finance Addendum and/or Financial Covenants Addendum that modify and supplement this Agreement and Borrower's obligations hereunder. This Agreement specifically incorporates by reference all of the language and provisions of any such Commercial Finance Addendum and/or Financial Covenants Addendum. Borrower covenants to any extension of time for payment of any Obligations. If more than one person or entity is executing this Agreement as Borrower, each person or entity shall be jointly and severally liable for all obligations hereunder. The liability of Borrower shall be joint and several with the liability of any Other Obligor not a party to this Agreement. The occurrence of a default caused by, relating to, or in connection with, any one person or entity executing this Agreement as Borrower shall be deemed a default as to each and every person or entity executing this Agreement as Borrower. Each person or entity executing this Agreement as Borrower waives any defense or discharge based on suretyship. |

- C. **Remedies Cumulative.** All rights, remedies and powers of Bank hereunder are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all other rights, remedies and powers of Bank whether in or by any other instruments, agreements or any laws, including, but not limited to, the UCC, now existing or hereafter enacted.
- D. **Laws and Agencies.** Nothing contained herein shall be construed as obliging Bank to make any particular loan or advance to Borrower, and Borrower is not relying upon Bank to make, or continue to make, advances for any purpose whatsoever. All such loans or advances remain within the discretion of Bank.
- E. **Amendment; No Waiver; Etc.** This Agreement may be amended only by a writing duly executed by Borrower and Bank. No waiver by Bank of any of the provisions of this Agreement or any of the rights or remedies of Bank with respect thereto shall be effective or enforceable unless in writing. No indulgence or delay on the part of Bank in exercising any power, privilege or right hereunder or under any other agreement executed by Borrower to Bank in connection therewith shall operate as a waiver thereof. No single or partial exercise of any power, privilege or right shall preclude other or further exercise thereof, or the exercise of any other power, privilege or right. No conduct, custom or course of dealing shall be effective to waive, amend, modify or release this Agreement or any of the terms and conditions hereof. This Agreement constitutes the complete and exclusive expression of the terms of the agreement between the parties with respect to the subject matter set forth herein, and supersedes all prior or contemporaneous communications between the parties relating to the subject matter of this Agreement.
- F. **Governing Laws; Severability.** This Agreement shall be construed and governed by the laws of the State of Maryland. If any part of this Agreement shall be adjudged invalid or unenforceable as of any term of court, then such partial invalidity or unenforceability shall not cause the remainder of this Agreement to be or become invalid or unenforceable, and if a provision hereof is held invalid or unenforceable in one or more of its applications, that provision shall remain in effect in all valid or enforceable applications that are severable from the invalid or unenforceable application or applications.
- G. **Litigation.** In the event of any litigation with respect to this Agreement, the promissory note(s) or other agreements evidencing and/or securing the Obligations, or any other documentation agreement applicable thereto, Borrower waives all defenses (including the defense of statute of limitations). Borrower agrees that any proceeding to enforce or construe this Agreement may be brought in any state or federal court in Maryland, agrees that Borrower is subject to service of process under Section 6-103 of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland, and agrees to accept such service as is authorized by such statute and prescribed in the Maryland Rules of Procedure.
- H. **Construction.** All accounting terms not otherwise defined in this Agreement shall be interpreted in accordance with G.A.A.P. The captions in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of the Agreement nor the intent of any provision hereof. If this Agreement is signed by two or more persons or entities as Borrower, the term "Borrower" shall mean all such persons or entities collectively or any one or more of such persons or entities individually or collectively, as the case may be and as the context may require. The use of the singular herein may also refer to the plural and vice versa, and the use of the neuter or any gender shall be applicable to any ethel gender or the neuter.
- I. **Assignment.** None of the parties shall be bound by any assignment not expressed in writing. This Agreement shall inure to and be binding upon the heirs, personal representatives, successors, and assigns of Borrower and Bank, and the terms "Borrower" and "Bank" shall include and mean, respectively, the successors and assigns of Borrower and Bank. Borrower shall not have the right to assign its rights hereunder or any interests herein without the prior written consent of Bank.
- J. **Demand.** If any of the Obligations are payable on demand, demand therefor may be made at any time, without notice, and without regard to whether a default has occurred.
- K. **Time.** Time is of the essence of all obligations.

VIII. **ADDITIONAL COVENANTS**

Borrower's
initials: 
Joe
Joe
Joe

In addition to the other terms and conditions herein, Borrower represents, warrants and covenants that:

(add any additional loan covenants, if any, so state):
Borrower to be out of borrowing at least 30 consecutive days each year.

All NEA Fund cash receipts to be deposited in Allfirst Bank.
Receipt of in-house prepared semi-annual financial statements within 30 days after period end.

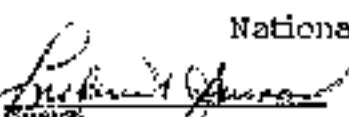
8C. WAIVER OF TRIAL BY JURY.

Borrower and Bank agree that any suit, action, or proceeding, whether claim or counterclaim, brought or instituted by or against either party hereto or any successor or assign of either party, on or with respect to this Agreement or any other Loan document or which in any way relates, directly or indirectly, to the Obligations or any event, transaction, or the dealings of the parties with respect thereto, shall be tried only by a judge and not by a jury. BORROWER AND BANK HEREBY EXPRESSLY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION, OR PROCEEDING. Borrower and Bank acknowledge and agree that this provision is a specific and material aspect of this Agreement between the parties and that Bank would not extend the Loan to Borrower if this waiver of jury trial provision were not a part of this Agreement.

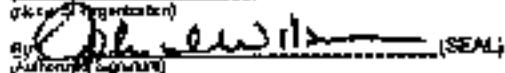
IN WITNESS WHEREOF, and intending to be legally bound hereby, Borrower has executed this Loan Agreement under seal on the day and year first above written, at Washington, D.C..

WITNESS OR ATTEST:

*Name, title and signature of a corporate officer is required to sign by another corporate officer in all corporate transactions.


 Signature
Frederick J. Susan
 WITNESS

National Education Association Fund for Children and Public Education


 (Signature)
 By John Wilson (SEAL)
John Wilson-Treasurer-NEA Fund
 (Name and Title)

 (Signature)

 (Signature)
 (Name and Title) (SEAL)

 (Signature)

 (Name and Title)

WITNESS:

If Borrower is an individual he or she should sign below:

 (Signature)

 (Signature) (SEAL)

 (Name and Title)

ACCEPTED AT BALTIMORE, MARYLAND AS OF THE
 DATE HEREOP:

ALLFIRST BANK
 a Maryland state-chartered commercial bank

By _____ (SEAL)

(Name and Title)

The undersigned Other Obligors acknowledge and consent to the terms and provisions of the foregoing Loan Agreement, including the terms and provisions of the Loan Agreement that provide for multiple loan advances.

WITNESS/ATTEST:

 (Name of Organization)

 (Signature)

 (Signature) (SEAL)

 (Name and Title)

 (Name and Title)

I, the undersigned, Secretary of The AEA Fund for Children & Public Ed (the "Corporation"), a corporation having its principal place of business in District of Columbia do hereby certify that, by action duly taken (a) by the Board of Directors of the Corporation, or (b) if the Corporation is a close corporation having no Board of Directors, by the Stockholder(s) of the Corporation, on _____, the following resolutions were duly adopted and have not been amended or modified and are not inconsistent with the Charter and By-Laws of the Corporation and are now in full force and effect. As usual heretofore, the term "Owner" shall mean the owner of incorporation of the Corporation as the same may be intended, restated, supplemented or otherwise modified. see attached resolution

COPY

BANKING RESOLVED, that the Bank (hereinafter defined) is designated as a depository for the funds of the Corporation.

RESOLVED, that any one of the following officers:

[Signature] [Signature] [Signature]

of the Corporation be authorized on behalf of the Corporation to make, sign, draw, accept or endorse checks, drafts, notes, bills of exchange, acceptances or orders or other instruments for the withdrawal of funds of the Corporation deposited in the Bank for the account(s) designated _____, whether such checks and orders create or increase an overdraft of said account or not (provided, or notwithstanding, of any such overdraft to be at the option of the Bank) and to execute signature cards for such accounts thereby binding the Corporation to the rules and regulations issued from time to time by the Bank.

RESOLVED, that any such instruments payable to or held by the Corporation, when drawn or endorsed as above provided, may be paid or cashed by the Bank, or received by it for the credit of or in payment from the payee or any other holder, including any officer or agent of the Corporation, without limitation of amount and without inquiry as to the circumstances of their issue, or the expediency of the proceeds thereof, and whether drawn to the individual order of any officer or tendered in payment of his or her obligations.

RESOLVED, that endorsements on behalf of the Corporation on any and all commercial paper of any kind deposited by or on behalf of the Corporation with the Bank for credit after collection or otherwise, may be made by any one of the foregoing officers, or by facsimile signature or by rubber stamp endorsement without signature and any such deposit may be withdrawn endorsemens.

RESOLVED, that signatures of the foregoing officers as maker on behalf of the Corporation on any and all checks, drafts or commercial paper of any kind, may be made by the application of machine rendered facsimile thereof, and that any of the foregoing officers of the Corporation be authorized to execute and deliver agreements with the Bank for, on behalf and in the name of the Corporation to induce the Bank to permit the use of such facsimile signatures.

RESOLVED, that any of the foregoing officers of the Corporation be authorized to communicate instructions to the Bank by telephonic, electronic or other means, to make bank transfers, wire transfers, automated clearinghouse entries, and payment orders of any nature, for, on behalf and in the name of the Corporation directed to the Corporation itself or to third parties; to delegate such authority from time to time by the appointment and removal of other persons which may conduct such communication; and to execute and deliver agreements with the Bank for, on behalf and in the name of the Corporation providing for such communication upon the terms and conditions set forth in such agreements.

RESOLVED, that any of the foregoing officers of the Corporation be authorized to enter into agreements with the Bank for, on behalf and in the name of the Corporation providing for, among otherthings, the Bank's performance of cash management services, information services, investment services or other financial services, which agreements may include, without limitation, the appointment of one or more parties as the Corporation's attorney-in-fact for the limited purpose of facilitating the Corporation's use of such services.

BORROWING RESOLVED, that any one of the following officers:

John Wilson

[Signature] [Signature] [Signature]

of the Corporation be authorized to borrow money and incur liabilities for, on behalf and in the name of the Corporation; to sell, guarantee, or discount its bills and accounts receivable; to enter into, make, sign and deliver repurchase, revolving credit, term loan, lease and other agreements, including subordination and similar agreements; to sign, on behalf of the Corporation, forms and agreements required by the Bank to enable the Corporation to obtain letters of credit and to bind the Corporation to the requirements of the Bank for every draft drawn thereunder; to sign, execute and deliver acceptance and promissory notes and other obligations of the Corporation; all for such amounts, and upon such terms, conditions and provisions (including provisions authorizing confession of judgment and waiving the right to trial by jury) as to them shall seem proper.

GUARANTY RESOLVED, that any one of the following officers:

[Signature] [Signature] [Signature]

of the Corporation be authorized, in absolutely, unequivocally and unconditionally guarantee the payment and performance of the obligations of _____, owed to the Bank, and to enter into, make, sign and deliver guaranty agreements, subordinative agreements and other agreements on behalf of the Corporation, upon such terms, conditions and provisions (including provisions authorizing confession of judgment and waiving the right to trial by jury) as to them shall seem proper.

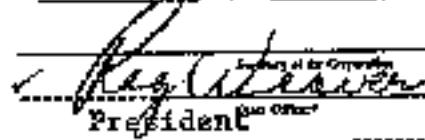
SECURITY RESOLVED, that any one of the following officers:

[Signature] [Signature] [Signature]

of the Corporation be authorized to pledge and grant liens and security interests on any and all property, assets, or income thereof (including, without limiting the generality of the foregoing, real property, leases and rents, accounts and other receivables, chattel paper, equipment, general intangibles, goods, inventory, warehouse receipts, bills of lading, instruments, stocks, bonds and other certified and uncertified securities, and life insurance), from time to time owned by the Corporation, as security for any money borrowed and as security for any liability incurred or to be incurred by the Corporation to correspond with any acceptance, note, letter of credit, guarantee, trust receipt or otherwise; and in connection therewith to indorse and deliver any such property, asset, or interest therein, and to execute and deliver security agreements and financing statements with respect thereto.

CERTIFICATION RESOLVED, that the Secretary, Assistant Secretary or any officer of the Corporation is authorized to certify to _____ (the "Bank") a copy of these resolutions and the names and signatures of the Corporation's officers or employees hereby authorized to act in this proceeding, and the Bank is hereby authorized to rely upon such certificate until One (1) Business Days (hereinafter defined) after it receives a like certificate advising of any change thereto, or written notice that the authorities herein have been revoked by proper resolution of (a) by the Board of Directors of the Corporation, or (b) if the Corporation is a close corporation having no Board of Directors, by the Stockholder(s) of the Corporation. The term "Business Day" as used herein means any day other than Saturday, Sunday or other day on which the Bank is authorized to close.

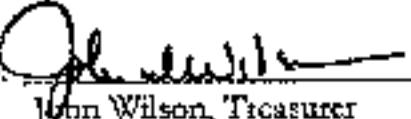
WITNESS my hand and the seal of the Corporation this _____ day of _____.


President

NEA FUND FOR CHILDREN AND PUBLIC EDUCATION
BORROWING AUTHORITY

Pursuant to the powers vested in me as Treasurer of the NEA Fund for Children and Public Education (the "Fund") under Section III, Paragraph E of the NEA Fund for Children and Public Education Council Guidelines, I., John Wilson, Treasurer of the Fund do hereby authorize the establishment of a \$300,000 line of credit for the Fund with AllFirst Bank, 1350 Eye Street, N.W., Washington, D.C. Such line of credit shall be used to meet the Fund's short term cash flow needs and shall be secured by the future receipts of the Fund. I understand that AllFirst Bank will charge the Fund its usual and customary interest rate of LIBOR plus 250 basis points on all amounts borrowed on the Fund's line of credit and that payment to AllFirst Bank of the principal borrowed on the line of credit shall be made by the Fund on or before April 30, 2003, with payments of all accrued and unpaid interest being due on the 30th day of each month beginning on November 30, 2002.

SIGNED:


John Wilson, Treasurer
NEA Fund for Children and Public Education

October 24, 2002
Date

INCUMBENCY CERTIFICATE

President

I, the undersigned, Secretary or Assistant Secretary or other indicated officer of The National Educ Association (the "Corporation"), a corporation having its principal place of business in District of Columbia, HEREBY CERTIFIES that the following persons have been duly elected and hold the respective titles indicated after their names, as of 1/1/68:

(Please type or print)

(Name)

John Wilson

(Title)

Treasurer-NEA Fund for Children & Public Educ

WITNESS my hand and the seal of the Corporation this _____ day of _____

Executive Seal

Secretary of the Corporation

Reg. Weesner
confirms*

President

Date

*(Note: In case the Secretary or other recording officer is listed as an incumbent above, this certificate must also be signed by a second officer of the Corporation, preferably one not so authorized).

ALLFIRST BANK
P O BOX 62114 BALTIMORE MD 21264-2114

22037871976
LOAN PRINCIPAL AND INTEREST BILL
ACCOUNT NO. 601-0229504-0001
INVOICE NO. 0000000

BUE DATE 11-30-02
BILL DATE 11-15-02
MURITY DATE 04-30-03

INTEREST DUE .00
PRIN/INT/FEE DUE 764.93
764.93

FOR CUSTOMER SUPPORT
CALL 1-866-683-2476

300302295040000001000100000001300200000000076493000000000764933

NATIONAL EDUCATION ASSOCIATION FUND
FOR CHILDREN AND PUBLIC EDUCATION
1201 6TH STREET NW
WASHINGTON DC 20036

COMMERCIAL LOAN OPERATIONS
P O BOX 62114
BALTIMORE MARYLAND 21264-2114

COPY

PLEASE RETAIN BOTTOM PORTION FOR YOUR RECORDS, RETURN TOP WITH YOUR PAYMENT.

ALLFIRST BANK
P O BOX 62114 BALTIMORE MD 21264-2114

AMOUNT COMING DUE NOTICE
\$0.00
\$0.00
\$0.00

ACCOUNT NO. 601-0229504-0001
INVOICE NO. 0000000

DUE DATE 11-30-02 REMIT AMT \$764.93

DATE	TRAN	RATE	ESCRW	DEBITS	CREDITS	BALANCE	DAYS	INTEREST
0-25-02		4.34125			BAL-FORWARD			
1-25-02	ORG	4.34125		300,000.00		160,000.00		
1-25-02	ADV	4.34000		160,000.00				
1-25-02	RATE	4.34000						
1-26-02	INT	4.34000				160,000.00	3	57.87
1-28-02	RATE	4.32188				160,000.00	1	19.21
1-29-02	INT	4.32188				160,000.00	1	19.11
1-29-02	RATE	4.30000				160,000.00	1	18.69
1-30-02	INT	4.30000				160,000.00	1	18.55
1-30-02	RATE	4.20500				160,000.00	1	18.11
1-31-02	INT	4.20500				160,000.00	1	18.09
1-31-02	RATE	4.17000				160,000.00	1	18.01
1-31-02	INT	4.17000				160,000.00	1	18.01
1-31-02	RATE	4.11875				160,000.00	3	54.52
1-04-02	INT	4.11875				160,000.00	3	54.52
1-04-02	RATE	4.10000				160,000.00	1	18.22
1-05-02	INT	4.10000				160,000.00	1	18.11
1-05-02	RATE	4.07438				160,000.00	1	18.09
1-06-02	INT	4.07438				160,000.00	1	18.09
1-06-02	RATE	4.06938				160,000.00	1	18.09
1-07-02	INT	4.06938				160,000.00	1	18.09
1-07-02	RATE	4.05313				160,000.00	1	18.01
1-08-02	INT	4.05313				160,000.00	1	18.01
1-08-02	ADV	4.05313		50,000.00		210,000.00	4	94.57
1-12-02	INT	4.05812				210,000.00		
1-12-02	RATE	3.96750				210,000.00	1	22.79
1-13-02	INT	3.96750				210,000.00	1	22.79
1-13-02	RATE	3.90000				210,000.00	2	45.50
1-15-02	INT	3.90000				210,000.00	13	261.31
1-15-02	RATE	3.90000				210,000.00		
1-16-02	INT	3.90000				210,000.00		
1-16-02	RATE	3.90000				210,000.00		
1-18-02	INT	3.90000				210,000.00		

FIRST BANK
P O BOX 62114 BALTIMORE MD 21264-2114

22037871977
LOAN PRINCIPAL AND INTEREST BILL
ACCOUNT NO. 001-0229504-0001
INVOICE NO. 00000000
PAGE 2

DUUE DATE 11-30-02
BILL DATE 11-16-02
TURITY DATE 09-30-03

.00 FOR CUSTOMER SUPPORT
.00
.00 CALL 1-866-663-2476

COPY

100010229504000000100010000000011300200000000076493000000000764933

NATIONAL EDUCATION ASSOCIATION FUND
FOR CHILDREN AND PUBLIC EDUCATION
1201 6TH STREET NW
WASHINGTON DC 20036

COMMERCIAL LOAN OPERATIONS
P O BOX 62114
BALTIMORE MARYLAND 21264-2114

FIRST BANK
P O BOX 62114 BALTIMORE MD 21264-2114

REMIT AMT
MEMO
MEMO

ACCOUNT NO. 001-0229504-0001
INVOICE NO. 00000000

DUUE DATE 11-30-02 REMIT AMT \$764.93

DATE	TRNH	RATE	ESCRDN	DEBITS	CREDITS	BALANCE	DAYS	INTEREST
BALANCE						210,000.00		
TOTAL AMOUNT DUE			\$764.93	PRINCIPAL =			INTEREST =	\$764.93

Federal Election Commission

ENVELOPE REPLACEMENT PAGE FOR INCOMING DOCUMENTS

The Commission has added this page to the end of this filing to indicate how it was received.

<input checked="" type="checkbox"/>	Hand Delivered	Date of Receipt
		12/16/02
<input type="checkbox"/>	First Class Mail	POSTMARKED
<input type="checkbox"/>	Registered/Certified Mail	POSTMARKED (R/C)
<input type="checkbox"/>	No Postmark	
<input type="checkbox"/>	Postmark Illegible	
<input type="checkbox"/>	Received from the House Office of Records and Registration	Date of Receipt
<input type="checkbox"/>	Received from the Senate Office of Public Records	Date of Receipt
<input type="checkbox"/>	Other (Specify): 	Postmarked and/or Date of Receipt
<input type="checkbox"/>	Electronic Filing	
 PREPARED		12/16/02
		DATE PREPARED

(6/2000)